IN THE SPECIFICATION:

Please replace the paragraph, from line 3 to line 5 on page 35, with the following paragraph.

> Figure 23 is an alternative embodiment of encoding binary numbers using the principle of binomial expansion. With reference to ~~3102~~ 310 of Figure 23, the following recurrence relation hold true for all binomial coefficients.

Please replace the paragraph, from line 17 on page 36 to line 5 on page 37, with the following paragraph.

> The value of $(6)_3$ is looked up in the codebook at 320. The numerical value is 20. The second bit is then set to one and the algorithm is applied recursive by comparing 23-20=3 to $(5)_2$. The next three recursion are for $(5)_2$, $(4)_2$, and $(3)_2$, found at locations 326, 330, and 334 in the codebook. For each recursion, the values are larger than 3, so the next three bits are all zero. For $(2)_2$ at 338 in the codebook, the value is 1 which is less than 3. The new number is 3-1=2, the codeword length and the number of ones remaining in the codeword are reduced by one and the sixth bit is set to one. The next value to compare is $(1)_1$ at 349 which is greater than 2. The new number is 2-1=1, the codeword length and the number of ones remaining in the codeword are reduced by one, and the seventh bit is set to one. The next value to compare is $(0)_1$ which is equal than 1. The eighth bit is set to zero and the algorithm stops. The conversion of the numerical value 58 results in a codeword of 11000110 as shown in 310b of ~~Figure 32~~ Figure 23. Note that this value equals the sum of the codebook entries when the number was greater than the codebook entry,